Calendar No. 793

100TH CONGRESS *2d Session*	SENATE	REPORT 100-421

FISHERIES LICENSE FOR THE VESSEL M/V "OCEAN TEMPEST"

Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

OF THE

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ON

S. 2331

JULY 8, 1988.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE
19-010 WASHINGTON : 1988

S263-11

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ERNEST F. HOLLINGS, South Carolina, *Chairman*

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WENDELL H. FORD, Kentucky
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RALPH B. EVERETT, *Chief Counsel and Staff Director*
WALTER B. MCCORMICK, JR., *Minority Chief Counsel and Staff Director*

Calendar No. 793

100TH CONGRESS
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SENATE

REPORT
100-421

FISHERIES LICENSE FOR THE VESSEL M/V "OCEAN TEMPEST"

JULY 8, 1988.—Ordered to be printed

Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 2331]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 2331) to issue a fisheries license for the operation of the vessel M/V *Ocean Tempest,* having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE LEGISLATION

S. 2331, as reported, waives certain restrictions so as to permit the operation of the M/V *Ocean Tempest* in the fisheries of the United States.

BACKGROUND AND NEEDS

The *Ocean Tempest*, formerly the *Horsehoe Splice,* official number 248773, was constructed in Savannah, Georgia, in 1945 as a knot class vessel for use in the war effort. At the end of World War II, the vessel was held in the reserve fleet and then sold in 1972. Included in the initial contract of sale of the vessel were prohibitions upon its use as a means of transportation of passengers or cargo for hire, or as a means of transportation of proprietary cargo. These prohibitions, which run with the vessel and continue to limit the purposes for which it may be used, were imposed by the Maritime Administration pursuant to sections 508 and 510(g) of the Merchant Marine Act, 1936. Public Law 96-260 provided a 2-year window, beginning in 1980, for all owners of surplus vessels to apply for a waiver of these restrictions so that such vessels could

be used in the fisheries of the United States. However, the owners of the vessel at that time failed to apply for such a waiver and a legislative waiver is now required.

All Alaskan Seafoods, Inc., a corporation licensed by the State of Alaska to engage in the seafood industry of the North Pacific, Bering Sea, and coastal waters, is the current owner of the *Ocean Tempest* and seeks a waiver of the restrictions applicable to the use of the vessel. If the waiver is enacted, the *Ocean Tempest* will be used as a fish processing vessel in the fisheries of the North Pacific Ocean and Bering Sea. All Alaskan Seafoods has outfitted the *Ocean Tempest* with the latest seafood processing and refrigeration equipment, and it plans to purchase tanner crab, bottomfish, and salmon from U.S. fishermen in the North Pacific Ocean and Bering Sea.

The *Ocean Tempest* is expected to generate approximately $35 million annually in gross revenues, employ 240 persons, and purchase approximately $18 million worth of fish per year from U.S. fishermen.

LEGISLATIVE HISTORY

S. 2331 was introduced on April 28, 1988, by Senator Stevens. On May 24, 1988, in open executive session, the Committee considered S. 2331, and ordered the legislation reported favorably without objection and without amendment.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 2, 1988.

Hon. ERNEST F. HOLLINGS,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 2331, a bill to issue a fisheries license for the operation of the vessel M/V *Ocean Tempest,* as ordered reported by the Senate Committee on Commerce, Science, and Transportation, May 24, 1988. Enactment of this bill is not expected to have any impact on the federal budget or on those of state or local governments.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JAMES L. BLUM,
Acting Director.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported.

Because S. 2331 does not create any new programs, the legislation will have no additional regulatory impact, and will result in no additional reporting requirements. The legislation will have no further effect on the number or types of individuals and businesses regulated, the economic impact of such regulation, the personal privacy of affected individuals, or the paperwork required from such individuals and businesses.

SECTION-BY-SECTION ANALYSIS

The bill consists of one section. It provides that, notwithstanding sections 508 and 510(g) of the Merchant Marine Act, 1936, or United States Department of Transportation Contract Numbered MA–6772 (IFB PD–X–945) and amendments thereto, the vessel *Ocean Tempest* may be operated in the fisheries of the United States as a processing vessel to acquire, purchase, process, and transport fish and fish products in the fisheries of the United States. The section requires the prior approval of the Secretary of Transportation if the vessel is to be scrapped in other than the domestic market.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee states that the bill as reported would make no change to existing law.

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Calendar No. 794

100TH CONGRESS *2d Session*	SENATE	REPORT 100-422

CERTIFICATES OF DOCUMENTATION FOR THE VESSELS "ERSA" AND "SCOTCH 'N WATER"

Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

OF THE

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ON

S. 2417

JULY 8, 1988.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1988

19-010

S263-12

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ERNST F. HOLLINGS, South Carolina, *Chairman*

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Calendar No. 794

100TH CONGRESS
2d Session

SENATE

REPORT
100-422

CERTIFICATES OF DOCUMENTATION FOR THE VESSELS "ERSA" AND "SCOTCH 'N WATER"

JULY 8, 1988.—Ordered to be printed

Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 2417]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 2417) to authorize a certificate of documentation for certain vessels, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE LEGISLATION

S. 2417, as reported, grants coastwise trading privileges to the *ERSA* and *Scotch 'N Water*.

BACKGROUND AND NEEDS

Section 27 of the Merchant Marine Act, 1920, commonly known as the Jones Act, coupled with the Coast Guard documentation provisions of title 46 of the United States Code, require that vessels engaged in the domestic coastwise trade be built and documented in the United States. These laws apply to all vessels, irrespective of size or intended use. Furthermore, these provisions of law permanently terminate the coastwise privileges for U.S.-built vessels which are later sold to foreign citizens. If a U.S. citizen subsequently purchases such a vessel, a legislative waiver of these provisions is required before the vessel may be used in the domestic coastwise trade.

The vessel *Scotch 'N Water* (official number 264090) is an 81.5 foot motor yacht that was built in 1950 by John Rybovich & Sons of West Palm Beach Florida. However, the vessel was sold to an

alien in 1958. That sale created a defect in the chain of title for purposes of operation in our coastwise trades. The present owner purchased the vessel in early 1988 and applied for coastwise trading privileges. His intent is to make the vessel available for charter off the northern coast of South Carolina for sport fishing and tours of the islands in that area. The Coast Guard Documentation office in Miami notifed the owner that the vessel had been previously owned by an alien and, therefore, was not eligible for a certificate of documentation providing for coastwise trade privileges. The owner has expended a great deal of time and money refurbishing the vessel since its purchase. Previous owners used the vessel for recreational purposes only and coastwise trading privileges were, therefore, never necessary.

The vessel *ERSA* (official number 229511) is a 73 foot yacht which was built in 1929 by the New York Engine and Launch Company. The vessel, which has always been used solely for recreational purposes, was purchased in 1984 by Eugene R. Smith for charter for sport fishing and tours in the Hilton Head Island, South Carolina vicinity. However, because this vessel has had numerous owners throughout the years, the present owner cannot fully reconstruct the chain of title to prove by clear and convincing evidence, as is required in order to obtain documentation for coastwise trade, that the vessel has always been owned by U.S. citizens. Although the present owner is unaware of any past alien ownership of the vessel, he cannot prove the absence of such ownership and a legislative waiver is necessary before the *ERSA* may be used for the intended purposes.

LEGISLATIVE HISTORY

S. 2417 was introduced on May 19, 1988, by Senator Hollings. On May 24, 1988, in open executive session, the Committee considered S. 2417, and ordered the legislation reported favorably without objection and without amendment.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 2, 1988.

Hon. ERNEST F. HOLLINGS,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 2417, a bill to authorize a certificate of documentation for certain vessels, as ordered reported by the Senate Committee on Commerce, Science, and Transportation, May 24, 1988. Enactment of this bill is not expected to have any impact on the federal budget or on those of state or local governments.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JAMES L. BLUM,
Acting Director.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported.

Because S. 2417 does not create any new programs, the legislation will have no additional regulatory impact, and will result in no additional reporting requirements. The legislation will have no further effect on the number or types of individuals and businesses regulated, the economic impact of such regulation, the personal privacy of affected individuals, or the paperwork required from such individuals and businesses.

SECTION-BY-SECTION ANALYSIS

The bill consists of one section. It provides that, notwithstanding sections 12105, 12106, 12107, and 12108 of title 46, United States Code, and section 27 of the Merchant Marine Act, 1920, as applicable on the date the bill is enacted, the vessels *ERSA* and *Scotch 'N Water* may be issued a certificate of documentation to engage lawfully in the coastwise trade.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee states that the bill as reported would make no change to existing law.

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